

Electronically Filed March 1, 2011

BRETT A. AXELROD, ESQ.
Nevada Bar No. 5859
ANNE M. LORADITCH, ESQ.
Nevada Bar No. 8164
MICAELA RUSTIA, ESQ.
Nevada Bar No. 9676
FOX ROTHSCHILD LLP
3800 Howard Hughes Parkway, Suite 500
Las Vegas, Nevada 89169
Telephone: (702) 262-6899
Facsimile: (702) 597-5503
Email: baxelrod@foxrothschild.com
aloraditch@foxrothschild.com
mrustia@foxrothschild.com
Counsel for Debtors

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

In re

WHITTON CORPORATION, a Nevada
corporation

- ☐ Affects this Debtor
☒ Affects all Debtors
☐ Affects South Tech Simmons 3040C, LLC

Case Nos. BK-S-10-32857-BAM and
BK-S-10-32680-BAM

Jointly Administered Under
Case No. BK-S-10-32680-BAM

Chapter 11

**DECLARATION OF TOM E. HALLETT IN
SUPPORT OF DEBTORS MOTION FOR
INTERIM AND FINAL ORDER
PURSUANT TO 11 U.S.C. §§ 105, 364, FED
R. BANKR. P. RULE 4001(C) AND L.R.
4001(B) AND (C): (I) AUTHORIZING
DEBTORS TO OBTAIN POSTPETITION
FINANCING; (II) GRANTING RELATED
RELIEF, AND (III) SCHEDULING FINAL
HEARING**

OST REQUEST PENDING

Hearing Date: March 15, 2011
Hearing Time: 3:00 p.m.

TOM E. HALLETT, being duly sworn, hereby deposes and declares under penalty of perjury:

1. I am over the age of 18, am mentally competent, and if called upon to testify as to the
statements made herein, could and would do so.

2. I am the President and sole director of Whitton Corporation (“Whitton”). I am also the sole manager of South Tech Simmons 3010C, LLC (“Simmons” and collectively with Whitton, the “Debtors”).

3. I submit this declaration in support of Debtors’ Motion for Interim and Final Order Pursuant to 11 U.S.C. §§ 105, 364, and Fed. R. Bankr. P. 4001(c) and L.R. 4001(b) and (c): (I) Authorizing Debtors to Obtain Postpetition Financing, (II) Granting Related Relief, and (III) Scheduling Final Hearing (the “Postpetition Financing Motion”).¹ Except as otherwise limited herein, I make the following statements based upon my personal knowledge, belief, and where applicable, upon the business records of Debtors. All statements below referencing or describing the DIP Credit Agreement and the Lenders are qualified in their entirety by the terms and conditions of the applicable DIP Credit Agreement. All statements below referencing the financial conditions and financial projections of Debtors’ properties are based on Debtors’ books and records and upon the advice of Province Real Estate Advisors, LLC (“Province”), Debtors’ financial advisors. All statements containing legal conclusions herein are based on advice of Debtors’ counsel.

4. On December 5, 2010, Whitton commenced its bankruptcy case by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. On December 8, 2010, Simmons commenced its bankruptcy case by filing a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”).

5. Debtors are operating their businesses and managing their affairs as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in these cases.

6. Whitton is a full service commercial real estate enterprise with dedicated departments for sales and leasing, marketing, design, estimating, and general contracting. Whitton owns fifteen (15) commercial properties which are located in Las Vegas, Henderson, North Las Vegas, and Reno/Sparks, Nevada. In the aggregate, Whitton owns over 480,000 square feet of office, retail, light industrial,

¹Capitalized terms used, but not defined herein, shall have the meanings ascribed to such terms in the Postpetition Financing Motion.

1 warehouse, or flexible use real estate of which approximately 69% is occupied. Simmons is a
2 subsidiary of Whitton which owns 51,690 square feet of light industrial and warehouse space in North
3 Las Vegas, Nevada, of which approximately 90% is occupied. The properties owned by Whitton and
4 Simmons are described in Exhibit A attached in the DIP Credit Agreement (the "Properties").

5 7. Debtors lease a portion of the Properties to tenants and receives rents from the lease of
6 the Properties.

7 8. Debtors seek postpetition financing (i) to fund Debtors' chapter 11 administration
8 expenses, including the fees of Debtors' professionals whose services are required to move these cases
9 towards confirmation of a plan of reorganization, (ii) to fund a plan of reorganization, and (iii) to enable
10 Debtors to successfully emerge from chapter 11 as a financially viable reorganized debtor with
11 sufficient working capital and funding to perform its business operations, pursuant to a confirmed plan
12 of reorganization. It is my belief that these actions will maintain the value of Debtors' assets, and is in
13 the best interests of Debtors and their creditors.

14 9. If Debtors are unable to obtain Postpetition Financing, they will be unable to fund
15 chapter 11 administration expenses and reorganize, and thus the value of their estates and of their
16 collateral will be adversely affected. By obtaining Postpetition Financing, Debtors will be able to funds
17 the necessary costs and expenses to reorganize which I believe will increase the value of their estates
18 and of their collateral and maximize payments to creditors.

19 10. Ruby Capital Investments, LLC ("Ruby") and Silver Phoenix, LLC ("Silver" and with
20 Ruby, the "Lenders") have agreed to provide Postpetition Financing on a superpriority administrative
21 claim basis and secured basis pursuant to Bankruptcy Code Section 364(c). Lenders are requesting a
22 lien on all of Debtors' unencumbered property (except avoidance actions) to secure the financing and a
23 junior lien on all assets and properties of Debtors that are encumbered by liens as of the date of the
24 Interim DIP Order, except for the BLV Mesquite Property.

25 11. As set forth in the DIP Credit Agreement, Debtors currently seek the immediate entry of
26 the Interim DIP Order authorizing Debtors to enter the DIP Credit Agreement and obtain the
27 Postpetition Financing. The willingness of Lenders to provide such financing is conditioned upon the
28 entry of the Interim DIP Order approving this Postpetition Financing on or before March 15, 2011.

12. The Lenders are unwilling to provide Postpetition Financing on an unsecured basis and none of the other offers of postpetition financing by other lenders provide for financing Debtors on an unsecured basis.

13. Debtors' ability to obtain the Postpetition Financing is critical to Debtors' ability to continue as a going concern during the course of these Debtors' Chapter 11 Cases. The proceeds of the Postpetition Financing will be used to fund costs of administering Debtors' estates, including without limitation, fees assessed by the Office of the United States Trustee and the Clerk of Court and fees and expenses of professionals of the estates, as approved by the Bankruptcy Court, any expenses of operations not paid from cash collateral, reorganization costs and working capital needs. In addition, the Postpetition Financing will provide significant funds to support the confirmation of a reorganization plan providing for the restructuring of debt.

14. Absent approval of the Postpetition Financing, Debtors would not be able to meet their chapter 11 operating and administrative obligations or to fund a plan of reorganization, which would result in Debtors being forced to cease operations and its efforts to reorganize. The success of these Chapter 11 Cases therefore turns on Debtors' ability to continue operations and implement their strategy of restructuring and reorganizing. Thus, in the event that the Interim DIP Order is not entered by March 15, 2011, Debtors will be irreparably harmed.

I declare under penalty of perjury of the laws of the United States of America that the foregoing is true to the best of my knowledge, information and belief.

Executed this 1st day of March, 2011, in Henderson, Nevada

/s/Tom E. Hallett

TOM E. HALLETT